



**PA 18-35—sHB 5171 (VETOED)**

*Education Committee*

**AN ACT PROHIBITING THE EXECUTIVE BRANCH FROM MAKING RESCISSIONS OR OTHER REDUCTIONS TO THE EDUCATION COST SHARING GRANT DURING THE FISCAL YEAR**

**SUMMARY:** This act, overriding any general statute or special act, prohibits the governor from cutting education cost sharing (ECS) aid grants to towns by (1) using his rescission authority to reduce allotment requisitions or allotments in force (see BACKGROUND) or (2) reducing allotments in any budgeted agency to achieve General Fund budget savings. Existing law, unchanged by the act, already exempts municipal aid from rescissions.

The act revises provisions in the biennial budget act (PA 17-2, June Special Session) to prohibit the OPM secretary from cutting ECS aid grants when making the reductions he is authorized to make to achieve specified General Fund budget savings for FYs 18 and 19.

The act also exempts ECS grants from the list of municipal grants that the OPM secretary can reduce or withhold in order to recover part of the Renters' Rebate Program costs it incurs (see BACKGROUND).

**EFFECTIVE DATE:** July 1, 2018, except the provisions exempting ECS aid grants from authorized reductions under the budget act, which are effective upon passage.

**BACKGROUND**

*Related Acts*

PA 18-81, §§ 7 & 10, makes essentially the same changes related to reductions to achieve budget savings in FY 19. PA 18-81, § 34, prohibits OPM from withholding municipal assistance to recover part of the renters' rebate costs.

*Governor's Authority to Reduce Allotment Requisitions or Allotments in Force*

An allotment requisition is a state agency's formal quarterly request to OPM for the funds it needs to carry out an appropriation's purpose. An allotment in force is an allotment that OPM has granted. By law, the governor can reduce an allotment requisition or allotment in force if he (1) determines circumstances have changed after the budget's adoption or (2) estimates that budgeted resources will be insufficient to fully fund all appropriations. He may also do so if the comptroller's cumulative monthly financial statement shows a General Fund deficit of more than 1% of total General Fund appropriations. These reductions

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are called rescissions.

The law limits the amount by which the governor can reduce allotments and restricts him from reducing certain grants and line items. The governor is also restricted from cutting (1) municipal aid, (2) certain “watchdog” agency line items (e.g., the Office of State Ethics), and (3) legislative and judicial branch line items (CGS § 4-85(e)).

### *Renters’ Rebate Program*

The state’s Renters’ Rebate Program provides rebates to older adult or totally disabled renters whose incomes do not exceed certain limits. By law, the state issues the rebates to renters, prorating them as necessary to stay within available appropriations. For FY 17, OPM used grant withholdings or reductions to recover from municipalities 50% of the cost of issuing the rebates. PA 18-81, § 34, eliminated OPM’s authority to recover 50% of the cost of this program by withholding municipal grants (CGS § 12-170f).